

Supplemental Memorandum

To: STATE BOARD MEMBERS

Date: 3/4/03

From: Judy Pinegar

Re: ITEM #W-4

Subject INSTRUCTIONAL MATERIALS SUFFICIENCY (AUDIT FINDING)

Attached is a copy of the actual audit finding completed by the State Controllers Office (SCO) for the 2000-2001 fiscal year, for Emery Unified School District regarding failure to provide evidence of the 10-day public hearing notice (Waiver Item W-4). This is the second year that Emery has sought a waiver of the audit penalty for some aspect of the required annual public hearing and resolution required by *Education Code* 60119.

The Auditor recommends that the district should repay the State \$20,384 in disallowed instructional materials funds. However subsequent analysis by the Department of Education (CDE) Fiscal Services staff reveal the amount repaid should be **\$67,310**

The district maintains that it complied with the 10-day public hearing notice for the 2000-01 FY, and that the public notice was posted in excess of 10 days prior to the meeting, at each school site in addition posted at the Emeryville City Hall. The district's Chief Business Official provided a declaration indicating that the notice of public meeting was posted more than 10 days prior to the scheduled meeting. However, the district has not been able to provide to the SCO a copy of the actual public notice that should have been retained for this purpose.

It should be noted that the 1999-00 and 2000-01 years in which these audit findings were discovered was immediately prior to the **takeover of the district by a State Administrator on August 6, 2001**.